Exhibit 300 (BY2009)

PART ONE	
OVERVIEW	
1. Date of Submission:	2007-09-10
2. Agency:	015
3. Bureau:	45
4. Name of this Capital Asset:	Computer Security Audit Trails (CSAT)
5. Unique Project Identifier:	015-45-01-13-01-2520-00

6. What kind of investment will this be in FY2009?

Planning

7. What was the first budget year this investment was submitted to OMB?

FY2009

8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.

The Internal Revenue Service (IRS) has identified systemic security vulnerabilities in its current information infrastructure as a result of audit findings from past and recent Treasury Inspector General for Tax Administration (TIGTA) and Government Accountability Office (GAO) reviews. These vulnerabilities have been designated by the GAO as an internal controls material weakness in information security. The IRS has begun to take proactive measures to address these security control weaknesses by establishing the Computer Security Audit Trails Project (CSAT) to meet the requirements of the Vision Statement: The IRS will maintain an enterprise-wide comprehensive audit trail capability that records user activities, applications, and system processes in such a way that - 1) Relevant data is captured and tools are available that allow reviewers to detect and respond to potential harm (hacking, frauds, and misuse of system resources, or system malfunctions). 2) Staff regularly review audit reports, and standard operating procedures exist and are used for follow-up, escalation, and closure actions. 3) Audit trails planning, implementation, and assessment are integral parts of IRS' Enterprise Life Cycle. The CSAT Project will meet these goals by securing additional Commercial Off The Shelf (COTS) package upgrades to existing systems to provide the capability for all Federal Information Security Management Act (FISMA) Systems to be 100% compliant with the established audit standards. CSAT will accomplish this in 3 releases over the next 5 years - Release 1 : 2008 - Capability for 6 designated platforms to be 100% compliant with the audit standard Release 2: 2010 - Up to 20 applications at 100% capability and compliance and capability for like applications to reach full compliance Release 3 : 2011 - 100% compliance on a significant portion of remainder of network components and capability for 80% full compliance for all service-wide network components

9. Did the Agency's Executive/Investment Committee approve this request?

yes

9.a. If "yes," what was the date of this approval?

2007-08-16

10. Did the Project Manager review this Exhibit?

yes

11. Project Manager Name:

Ileto, Carlene

Project Manager Phone:

202-283-2111

Project Manager Email:

Carlene.C.Ileto@irs.gov

11.a. What is the current FAC-P/PM certification level of the project/program manager?

TBD

12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.

yes
12.a. Will this investment include electronic assets (including computers)?
yes
12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)
no
13. Does this investment directly support one of the PMA initiatives?
yes
If yes, select the initiatives that apply:
Expanded E-Government
13.a. Briefly and specifically describe for each selected how this asset directly supports the identified initiative(s)? (e.g. If E-Gov is selected, is it an approved shared service provider or the managing partner?)
This investment will significantly improve the process of storage, review, and reporting of computer system auditable events. It supports the PMA e-Gov initiatives i.e. Privacy and Security Information Policies and important elements of planning, acquisition, and management of Federal IT systems. The E-Government Act 2002 and FISMA provide significant privacy and security for federal information system operators and assist the IRS in complying with these requirements.
14. Does this investment support a program assessed using the Program Assessment Rating Tool (PART)?
no
15. Is this investment for information technology?
yes
16. What is the level of the IT Project (per CIO Council's PM Guidance)?
Level 2
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)
(1) Project manager has been validated as qualified for this investment
18. Is this investment identified as high risk on the Q4 - FY 2007 agency high risk report (per OMB memorandum M-05-23)?
no
19. Is this a financial management system?
no
19.a.2. If no, what does it address?
CSAT is a Systems Security application for tracking logical access, security events, and mitigation processes.
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?
no
22. Contact information of individual responsible for privacy related questions.
Name
Carlos Moura
Phone Number
202- 927-0730
Title
Management and Program Analyst
Email
carlos.moura@irs.gov
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?
yes
24. Does this investment directly support one of the GAO High Risk Areas?

yes

SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

	PY-1 & Earlier	PY	CY
	-2006	2007	2008
Planning Budgetary Resources	0.000	2.000	0.000
Acquisition Budgetary Resources	0.000	1.200	0.000
Maintenance Budgetary Resources	0.000	0.000	0.000
Government FTE Cost	0.000	0.000	0.000
# of FTEs	0	17	27

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures (indicators) must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative measure.

Agencies must use the following table to report performance goals and measures for the major investment and use the Federal Enterprise Architecture (FEA) Performance Reference Model (PRM). Map all Measurement Indicators to the corresponding Measurement Area and Measurement Grouping identified in the PRM. There should be at least one Measurement Indicator for each of the four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov. The table can be extended to include performance measures for years beyond FY 2009.

	Fiscal Year	Strategic Goal Supported	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2008	Preserve the Integrity of Financial Systems	Customer Results	Service Efficiency	Reduce the number of hours required to deliver a report to system owners; Measured in hours	8 hrs to delivery	1 hr to delivery	
2	2008	Preserve	Processes and	Security	Number of	0	Capability for 6	

		the Integrity of Financial Systems	Activities		FISMA systems that are in full compliance with IRM 10.8.3		designated platforms to be 100% compliant	
3	2008	Preserve the Integrity of Financial Systems	Technology	Improvement	Audit capability system overhead on existing systems	<10% system overhead	<7% systems overhead	
4	2008	Preserve the Integrity of Financial Systems	Mission and Business Results	Information Systems Security	Number of Audit Plans for Platforms and Applications	0	Deliver Audit Plans for 6 platforms and 4 major applications.	
5	2009	Preserve the Integrity of Financial Systems	Customer Results	Service Efficiency	Reduce the number of hours required to deliver a report to system owners; Measured in hours	8 hrs to delivery	1 hr to delivery	
6	2009	Preserve the Integrity of Financial Systems	Processes and Activities	Security	Number of FISMA systems that are in full compliance with IRM 10.8.3	0	Capability for 4 major applications to be 100% compliant	
7	2009	Preserve the Integrity of Financial Systems	Technology	Improvement	Audit capability system overhead on existing systems	<10% system overhead	<7% systems overhead	
8	2009	Preserve the Integrity of Financial Systems	Mission and Business Results	Information Systems Security	Number of Audit Plans for Platforms and Applications	0	Maintain Audit Plans for 6 platforms and 4 major applications.	
9	2010	Preserve the Integrity of Financial Systems	Customer Results	Service Efficiency	Reduce the number of hours required to deliver a report to system owners; Measured in hours	8 hrs to delivery	1 hr to delivery	
10	2010	Preserve the Integrity of Financial Systems	Processes and Activities	Security	Number of FISMA systems that are in full compliance with IRM 10.8.3	0	Capability for 20 or more applications to be 100% compliant	
11	2010	Preserve the Integrity of Financial Systems	Technology	Improvement	Audit capability system overhead on existing systems	<10% system overhead	<7% systems overhead	

12	2010	Preserve the Integrity of Financial Systems	Mission and Business Results	Information Systems Security	Number of Audit Plans for Platforms and Applications	0	Deliver Audit Plans for 10% of comparable network components	
13	2011	Preserve the Integrity of Financial Systems	Customer Results	Service Efficiency	Reduce the number of hours required to deliver a report to system owners; Measured in hours	8 hrs to delivery	1 hr to delivery	
14	2011	Preserve the Integrity of Financial Systems	Processes and Activities	Security	Number of FISMA systems that are in full compliance with IRM 10.8.3	0	Provide 100% capability for 33% of network components.	
15	2011	Preserve the Integrity of Financial Systems	Technology	Improvement	Audit capability system overhead on existing systems	<10% overhead	<7% systems overhead	
16	2011	Preserve the Integrity of Financial Systems	Mission and Business Results	Information Systems Security	Number of Audit Plans for Platforms and Applications	0	Deliver Audit Plans for remaining network components	

EA
In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.
1. Is this investment included in your agency's target enterprise architecture?
yes
2. Is this investment included in the agency's EA Transition Strategy?
yes
2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.
Computer Security Audit Trails (CSAT)
3. Is this investment identified in a completed (contains a target architecture) and approved segment architecture?
yes
3.a. If yes, provide the name of the segment architecture as provided in the agencyâ€™s most recent annual EA Assessment.
Enterprise Transition Plan, Volume 1: Enterprise Transition Strategy (IRS)
4. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to http://www.whitehouse.gov/omb/egov/.
Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.
Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Audit Trail Analysis and Reporting	Security function that examines the audit trail data, determines actionable events, and reports this information.	Security Management	Audit Trail Capture and Analysis			No Reuse	70
2	Audit Trail Analysis and Reporting	Support the detection of unauthorized access to a government information system	Security Management	Intrusion Detection			No Reuse	15
3	Audit Trail Analysis and Reporting	Provide active response and remediation to a security incident that has allowed unauthorized access to a government information system	Security Management	Incident Response			No Reuse	10

5. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Audit Trail Capture and Analysis	Service Access and Delivery	Access Channels	Other Electronic Channels	Internet Explorer 7.0
2	Audit Trail Capture and Analysis	Service Platform and Infrastructure	Support Platforms	Platform Independent	ArcSight Logger v1
3	Audit Trail Capture and Analysis	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Sun Solaris 10
4	Audit Trail Capture and Analysis	Service Platform and Infrastructure	Delivery Servers	Web Servers	APACHE,Others, Sun Java System Web Server
5	Audit Trail Capture	Service Platform and	Database /	Storage	Database: Oracle 10/Storage

6	Intrusion Detection	Service Access and Delivery	Access Channels	Other Electronic Channels	System to System: TCP/IP, SSL, HTTP
7	Intrusion Detection	Service Platform and Infrastructure	Support Platforms	Platform Independent	ArcSight ESM v4
8	Intrusion Detection	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Sun Solaris 10
9	Intrusion Detection	Service Platform and Infrastructure	Delivery Servers	Web Servers	Apache, Others, Java System Web Server
10	Intrusion Detection	Service Platform and Infrastructure	Database / Storage	Storage	Storage Area Network (SAN): EMC
11	Incident Response	Service Access and Delivery	Access Channels	Other Electronic Channels	System to System: TCP/IP SSL, TLS, Other
12	Incident Response	Service Platform and Infrastructure	Support Platforms	Platform Independent	TBD
13	Incident Response	Service Platform and Infrastructure	Support Platforms	Platform Dependent	Sun Solaris 10
14	Incident Response	Service Platform and Infrastructure	Delivery Servers	Web Servers	Apache, Others IIS
15	Incident Response	Service Platform and Infrastructure	Database / Storage	Storage	Storage Area Network (SAN): EMC

6. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

PART TWO

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2007-07-19

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule:

The budgeted costs are risk adjusted based upon the criticality rating for each currently identified risk and estimated as 25% of the acquisition costs. Lifecycle cost risks are also estimated using best case and worst case scenarios. Schedule risks are being mitigated through a detailed Work Breakdown Structure and Project Schedule.

COST & SCHEDULE

1. Does the earned value management system meet the criteria in ANSI/EIA Standard 748?

no

2. Is the CV% or SV% greater than Â± 10%?

yes

2.a. If yes, was it the?

CV

3. Has the investment re-baselined during the past fiscal year?

no